

MINUTES

of the Ordinary Meeting of the Shareholders of Tchaikapharma High Quality Medicines Inc. held on the 23rd of June 2016 in Sofia

I. CONSTITUTING THE GENERAL MEETING OF THE SHAREHOLDERS

The General Meeting of the Shareholders of Tchaikapharma High Quality Medicines Inc. was held today, on the 23rd of June 2016, at 11:00am, in the headquarters of the company in Sofia, District Izgrev, 1 G. M. Dimitrov Blvd. It was attended by shareholders and their representatives, as per the annex to the Minutes listing the present shareholders and representatives of shareholders, as well as the number of shares present and represented.

The General Meeting was opened by the Executive Director of Tchaikapharma High Quality Medicines Inc. Mr. Biser Georgiev, who announced the data from the completed registration of the shareholders and their proxies for taking part in the General Meeting.

After conducting due verification, the General Meeting established that:

The registered capital of the company is 49 600 000 /forty nine million six hundred thousand/ dematerialized, registered shares giving the right to vote in the General Meeting and with a nominal value of BGN 1.

According to the statement issued by the Central Depository to the company, as of which the persons, registered in the Book of Shareholders, are entitled to vote at the present General Meeting, the shares giving the right to vote for taking part in the General Meeting on the 23rd of June 2016 totaled 49 600 000 /forty nine million six hundred thousand/.

Nine shareholders were registered to take part in the General Meeting.

The number of shares personally represented is 49 581 106 and by proxy - 0 (zero) shares.

The total number of represented shares is 49 581 106, all giving the right to vote, which represents 99.96% or more than $\frac{1}{2}$ of the capital. Under the provisions of Art. 30, Para. 1 of the Articles of Association there is a quorum for holding the General Meeting, the meeting can be held and take valid decisions.

II. ELECTION OF THE MANAGEMENT BODY OF THE SESSION OF THE GENERAL MEETING

1. Proposals for the management body of the session by the Executive Director:

For Chairperson - Biser Georgiev - Executive Director;

For Co-chairman - Biser Ivanov - Director of the Investor Relations Department;

For Tellers - Maria Stoyanova, Tanya Boghossian;

For Secretary - Dimitar Stoyanov;

The Executive Director proposed that the shareholders agree with the proposal made by him, by voting "en-bloc".

After taking a vote, the result was:

Total number of valid votes 49 581 106, representing 100% of the represented capital and 99.96% of the registered capital.

VOTED "FOR": 49 581 106 shares, representing 100% of the represented capital and 99.96% of the registered capital.

VOTED "AGAINST": none.

VOTED "ABSTAINED": none.

The General Meeting elected the persons proposed for Chairman, Co-chairman, Tellers and Secretary of the Ordinary General Meeting, which takes place in Sofia on the 23rd of June 2016.

STATEMENTS OF THE CHAIRMAN AND THE SECRETARY OF THE SESSION:

After taking presidency of the Session of the General Meeting, the Chairman and the Secretary informed the shareholders of the following circumstances, stated by them:

1. The invitation to the General Meeting was announced in the Commercial Register under Tchaikapharma High Quality Medicines Inc. on the 21st of April 2016, as well as on the website of the company. The announcement was within the statutory period under Art.223, Par.5 of the Commercial Act and in compliance with the requirements of the Public Offering of Securities Act for notifications to the Financial Supervision Commission, the Bulgarian Stock Exchange and the Central Depository regarding the convening of the Annual General Meeting of Shareholders, the agenda and the draft decisions.

According to the certified by the Chairman and Secretary list of the present shareholders at the General Meeting, **49 581 106** shares are represented personally, and 0 (zero) shares by proxy. The total number of represented shares is **49 581 106**, all having a right to vote, which is 99.96% or more than ½ of the capital of the company.

In order to determine the shareholders having a right to vote and participate in the General Meeting, the company obtained the Registered Circumstances Act from the Central Depository.

All represented and registered shares for the work of the General Meeting of Shareholders are entitled to one vote in the General Meeting.

2. There were no Powers of Attorney to represent the shareholders in the General Meeting. No Powers of Attorney were sent by email within the period designated in the invitations.
3. In relation to the shareholder Tony Yonkov Vekov it was specified that except being an individual shareholder, he is the lawful representative - Executive Director of the shareholder DallBogg - Life and Health Inc., due to which he will vote in dual capacity - as an individual shareholder and as a lawful representative of DallBogg - Life and Health Inc. and thus in order to calculate the number of shares during voting they shall be added together. In the cases where the shareholder will vote in one capacity only, he shall explicitly explain this to the Tellers.
4. The General Meeting was attended by the following members of the Board of Directors: Biser Georgiev - Executive Director and Chairman of the Board of Directors.
5. The General Meeting was not attended by guests who are not shareholders.

The announced in the Trade Register agenda of the General Meeting includes:

1. **Approval of the annual report of the Board of Directors of the Company in 2015; Draft decision:** AGM approves the Annual Report of the Board of Directors of the Company in 2015;

2. **Approval of the Annual report of the Investor Relations Director for 2015; Draft decision:** AGM approves the Annual report of the Investor Relations Director for 2015;
3. **Approval of the Audit report on the audit of the annual financial statements of the Company for 2015; Draft decision:** AGM approves the Audit report on the audit of the annual financial statements of the Company for 2015;
4. **Approval of the audited annual financial statements of the Company for 2015; Draft decision:** AGM approves the audited annual financial statements of the Company for 2015;
5. **Approval of the report of the Audit Committee for 2015; Draft decision:** AGM approves the report of the Audit Committee for 2015;
6. **Approval of a decision on the distribution of the Company's profit for 2015; Draft decision:** AGM approves the proposal by the Board of Directors for the distribution of the profit generated in 2015 as follows: the net amount of the profit in 2015, is BGN 7 780 010.40 /seven million seven hundred and eighty thousand and ten lev and forty stotinki/. The total amount of the profit, subject to distribution, is BGN 7 780 010.40 /seven million seven hundred and eighty thousand and ten lev and forty stotinki/. After the allocation of 10% to the statutory reserve, amounting to BGN 778 001.04 /seven hundred and seventy-eight thousand and one lev and four stotinki/ the sum in the amount of BGN 2009.36/ two thousand and nine lev and thirty-six stotinki/ shall be taken as an additional reserve of the Company. The capital of the Company shall be increased with the rest of the profit amounting to BGN 7 000 000 /seven million lev/.
7. **Approval of decision to discharge from liability the members of the Board of Directors for their activities in 2015; Draft decision:** AGM discharges from liability the members of the Board of Directors for their activities in 2015;
8. **Election of a registered auditor of the Company for 2016; Draft decision:** AGM elects a registered auditor to audit and certify the annual financial statements of the Company for 2016 according to the proposal of the Audit Committee, included in the agenda materials.
9. **Approval of the Report of the Board of Directors about the application of the Remuneration policy for the members of the Board of Directors of the Company in 2015; Draft decision:** AGM approves the Report of the Board of Directors about the application of the Remuneration policy for the members of the Board of Directors of the Company in 2015.
10. **Determining the remuneration of the members of the Board of Directors for 2016; Draft decision:** On the basis of Art. 42, Par. 1, letter A of the Company's Articles of Association, AGM decided: the regular monthly remuneration of the members of the Board of Directors, as well as the regular monthly remuneration of the Executive Director in 2016 shall remain the same.
11. **Miscellaneous**

Not all issued by Company shares giving the right to vote were represented at the General Meeting of the shareholders, and therefore under Article 231, Par. 1 of the Commercial Act, reviewing other issues not covered by the announced agenda is not possible.

After publishing the invitation in the Commercial Register, no additional items under Art. 223a of the Commercial Act or additional draft decisions on the announced agenda items under Art. 118, par.2, item 4 of POSA have been added to the announced agenda of the AGM, so that only the draft decisions submitted by the Board of Directors shall be voted on.

The announced item 1 to item 5 and item 7 to item 10 from the agenda do not include matters requiring a qualified decision-making majority – the agenda items decisions be taken by simple majority of the registered to participate shares.

The announced agenda item 6 in the part related to the decision to increase the capital of the company involves a question, which pursuant to Art. 230, para. 2 of the Commercial Act and Art. 32, para. 1 item 1 of the Articles of Association of the company requires qualified majority

decision-making - the decision on this issue from item 6 of the agenda shall be taken by a qualified majority of 2/3 of the shares registered to participate.

The materials related to the agenda items of the General Meeting are available to shareholders from the time of the announcement of the invitation in the Commercial Register of the Registry Agency, and in the room where the General Meeting takes place. The materials of the General Meeting are also available in digital form on the official website of the company.

III. DEBATES AND DECISIONS ON THE ITEMS

On item 1 of the agenda:

Approval of the annual report of the Board of Directors of the Company for 2015

No questions or statements on this agenda item were received, therefore the Chairperson read the draft decision of the Board of Directors on item 1 of the agenda, namely: AGM approves the Annual Report of the Board of Directors of the Company for 2015.

The Chairperson put the draft decision of the Board of Directors to the vote.

Voting results:

Total valid votes cast: 49 581 106 shares or 100% of the represented capital and 99.96 % of the registered capital

VOTED "FOR": 49 581 106 shares or 100% of the represented capital and 99.96 % of the registered capital

VOTED "AGAINST": none

VOTED "ABSTAINED": none

Under these results the AGM took the following DECISION: AGM approves the Annual Report of the Board of Directors and the business of the Company for 2015.

The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.

No objections to the manner of voting and the results were received.

On item 2 of the agenda:

Approval of the Annual report of the Investor Relations Director for 2015

The Chairperson presented the annual report of the Investor Relations Director for the reporting period, which is part of the materials of the agenda, to the shareholders and read the draft decision of the Board of Directors on this item of the agenda, namely:

AGM approves the Report of the Investor Relations Director for 2015.

No questions or statements on this agenda item were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote.

Voting results:

Total valid votes cast: 49 581 106 shares or 100% of the represented capital and 99.96 % of the registered capital

VOTED "FOR": 49 581 106 shares or 100% of the represented capital and 99.96 % of the registered capital

VOTED "AGAINST": none

VOTED "ABSTAINED": none

Under these results the AGM took the following **DECISION**: AGM approves the Report of the Investor Relations Director for 2015.

The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.

No objections to the manner of voting and the results were received.

On item 3 of the agenda:

Approval of the Audit report on the audit of the annual financial statements of the Company for 2015;

The Chairperson presented to the shareholders the Auditor's report on the audit of the annual financial statements of the Company for 2015, which is part of the materials of the agenda.

The Chairperson read the draft decision of the Board of Directors on this item of the agenda, namely: AGM approves the Auditor's report on the audit of the annual financial statements of the Company for 2015.

No questions or statements on this agenda item were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote.

Voting results:

Total valid votes cast: 49 581 106 shares or 100% of the represented capital and 99.96 % of the registered capital.

VOTED "FOR": 49 581 106 shares or 100% of the represented capital and 99.96 % of the registered capital.

VOTED "AGAINST": none

VOTED "ABSTAINED": none

Under these results the AGM took the following **DECISION**: AGM approves the Auditor's report on the audit of the annual financial statements of the Company for 2015.

The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.

No objections to the manner of voting and the results were received.

On item 4 of the agenda:

Approval of the audited annual financial statements of the Company for 2015.

The annual financial statements have been presented to the shareholders in their

entirety as part of the materials of the agenda.

The Chairperson read the draft decision of the Board of Directors on this item of the agenda, namely: AGM approves the audited annual financial statements of the Company for 2015.

No questions or statements on this agenda item were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote.

Voting results:

Total valid votes cast: 49 581 106 shares or 100% of the represented capital and 99.96 % of the registered capital.

VOTED “FOR”: 49 581 106 shares or 100% of the represented capital and 99.96 % of the registered capital.

VOTED “AGAINST”: none

VOTED “ABSTAINED”: none

The AGM took the following **DECISION**: AGM approves the audited annual financial statements of the Company for 2015.

The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.

No objections to the manner of voting and the results were received.

On item 5 of the agenda:

Approval of the report of the Audit Committee for 2015.

The the report of the Audit Committee has been presented to the shareholders in its entirety as part of the materials of the agenda.

The Chairperson read the draft decision of the Board of Directors on this item of the agenda, namely: AGM approves the report of the Audit Committee for 2015.

No questions or statements on this agenda item were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote.

Voting results:

Total valid votes cast: 49 581 106 shares or 100% of the represented capital and 99.96 % of the registered capital.

VOTED “FOR”: 49 581 106 shares or 100% of the represented capital and 99.96 % of the registered capital.

VOTED “AGAINST”: none

VOTED “ABSTAINED”: none

The AGM took the following **DECISION**: AGM approves the report of the Audit Committee of the Company for 2015.

The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.

No objections to the manner of voting and the results were received.

On item 6 of the agenda:

Approval of a decision on the distribution of the Company's net profit for 2015 and undistributed profit from past periods.

The Chairperson read the draft decision of the Board of Directors on this item of the agenda, namely: *AGM distributes the profit generated in 2015* : the net amount of the profit in 2015, is BGN 7 780 010.40 /seven million seven hundred and eighty thousand and ten lev and forty stotinki/. The total amount of the profit, subject to distribution, is BGN 7 780 010.40 /seven million seven hundred and eighty thousand and ten lev and forty stotinki/. After the allocation of 10% to the statutory reserve, amounting to BGN 778 001.04 /seven hundred and seventy-eight thousand and one lev and four stotinki/ the sum in the amount of BGN 2009.36 /two thousand and nine lev and thirty-six stotinki/ shall be taken as an additional reserve of the Company. The capital of the Company shall be increased with the rest of the profit amounting to BGN 7 000 000 /seven million lev /.

Voting results:

Total valid votes cast: 49 581 106 shares or 100% of the represented capital and 99.96 % of the registered capital.

VOTED "FOR": 49 581 106 shares or 100% of the represented capital and 99.96 % of the registered capital.

VOTED "AGAINST": none

VOTED "ABSTAINED": none

The AGM took the following **DECISION**::

AGM distributes the profit generated in 2015 in the following way : the net amount of the profit in 2015, is BGN 7 780 010.40 /seven million seven hundred and eighty thousand and ten lev and forty stotinki/. The total amount of the profit, subject to distribution, is BGN 7 780 010.40 /seven million seven hundred and eighty thousand and ten lev and forty stotinki/. After the allocation of 10% to the statutory reserve, amounting to BGN 778 001.04 /seven hundred and seventy-eight thousand and one lev and four stotinki/ the sum in the amount of BGN 2009.36 /two thousand and nine lev and thirty-six stotinki/ shall be taken as an additional reserve of the Company. The capital of the Company shall be increased with the rest of the profit amounting to BGN 7 000 000 /seven million lev /.

The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.

No objections to the manner of voting and the results were received.

On item 7 of the agenda:

Approval of decision to discharge from liability the members of the Board of Directors for their activities in 2015.

The Chairperson read the draft decision of the Board of Directors on this item of the agenda, namely: *AGM discharges from liability the members of the Board of Directors for their activities in 2015.*

No questions or statements on this agenda item were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote.

Voting results:

Total valid votes cast: 49 581 106 shares or 100% of the represented capital and 99.96 % of the registered capital.

***VOTED “FOR”:* 49 581 106 shares or 100% of the represented capital and 99.96 % of the registered capital.**

***VOTED “AGAINST”:* none**

***VOTED “ABSTAINED”:* none**

The AGM took the following **DECISION**: AGM discharges from liability the members of the Board of Directors for their activities in 2015.

The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.

No objections to the manner of voting and the results were received.

On item 8 of the agenda:

Election of a registered auditor of the Company for 2016.

The Chairperson read the draft decision of the Board of Directors on this item of the agenda, namely: *AGM elects a registered auditor to audit and certify the annual financial statements of the Company for 2016 according to the proposal of the Audit Committee, included in the agenda materials.*

The proposal of the Audit Committee of the Company is that the Board of Directors should propose to the AGM as registered auditor for the audit and certification of the annual financial statements of the Company in 2016 is to elect Todor Krastev via the audit company Stolichna Oditorska Firma EOOD, with address of management Sofia, Banishora Distr., Bl. No. 16, Entr. A.

The Chairperson put the draft decision of the Board of Directors to the vote.

Voting results:

Total valid votes cast: 49 581 106 shares or 100% of the represented capital and 99.96 % of the registered capital.

***VOTED “FOR”:* 49 581 106 shares or 100% of the represented capital and 99.96 % of the registered capital.**

***VOTED “AGAINST”:* none**

***VOTED “ABSTAINED”:* none**

The AGM took the following **DECISION**: AGM elects Todor Krastev via the audit company Stolichna Oditorska Firma EOOD, with address of management Sofia, Banishora Distr., Bl. No. 16, Entr. A as registered auditor for the audit and certification of the annual financial statements of the Company in 2016 in compliance with the proposal by the Audit Committee, included in the materials of the agenda

The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.

No objections to the manner of voting and the results were received.

On item 9 of the agenda:

Approval of the Report of the Board of Directors about the application of the Remuneration policy for the members of the Board of Directors of the Company in 2015.

The Chairperson read the draft decision of the Board of Directors on this item of the agenda, namely: AGM approves the Report of the Board of Directors about the application of the Remuneration policy for the members of the Board of Directors of the Company in 2015.

The Chairperson put the draft decision of the Board of Directors to the vote.

Voting results:

Total valid votes cast: 49 581 106 shares or 100% of the represented capital and 99.96 % of the registered capital.

VOTED "FOR": 49 581 106 shares or 100% of the represented capital and 99.96 % of the registered capital.

VOTED "AGAINST": none

VOTED "ABSTAINED": none

The AGM took the following **DECISION**: AGM approves the Report of the Board of Directors about the application of the Remuneration policy for the members of the Board of Directors of the Company in 2015.

On item 10 of the agenda:

Determining the remuneration of the members of the Board of Directors for 2016

The Chairperson read the draft decision of the Board of Directors on this item of the agenda, namely: *On the basis of Art. 42, Par. 1 of the Company's Articles of Association, AGM decided: the regular monthly remuneration of the members of the Board of Directors, as well as the regular monthly remuneration of the Executive Director in 2016 shall remain the same*

No questions or statements on this agenda item were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote.

Voting results:

Total valid votes cast: 49 581 106 shares or 100% of the represented capital and 99.96 % of the registered capital.

VOTED "FOR": 49 581 106 shares or 100% of the represented capital and 99.96 % of the registered capital.

VOTED "AGAINST": none

VOTED "ABSTAINED": none

Under these results the AGM took the following **DECISION**: *On the basis of art. 24, par. 3 of the Company's Articles of Association AGM decided: the regular monthly remuneration of the members of the Board of Directors, as well as the regular monthly remuneration of the Executive Director in 2016 shall remain the same.*

The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.

No objections to the manner of voting and the results were received.

On item 11 of the agenda: – Miscellaneous:

1 / In connection with the approved decision to increase the capital of Tchaikapharma High Quality Medicines Inc. under item 6 of the agenda, the shareholder Bisser Georgiev Ivanov proposed an amendment to item 13 of the Articles of Association of Tchaikapharma High Quality Medicines Inc. according to item 6 of the agenda, so the text of the Articles of Association reflects the new amount of capital after the increase.

Voting results:

Total valid votes cast: 49 581 106 shares or 100% of the represented capital and 99.96 % of the registered capital.

VOTED "FOR": 49 581 106 shares or 100% of the represented capital and 99.96 % of the registered capital.

VOTED "AGAINST": none

VOTED "ABSTAINED": none

The AGM took the following **DECISION**: AGM approves the amendment to item 13 of the Articles of Association of Tchaikapharma High Quality Medicines Inc. according to item 6 of the agenda, so the text of the Articles of Association reflects the new amount of capital after the increase.

2/ To the question raised by the shareholder Tony Yonkov Vekov to the company's management regarding the short term strategy for distribution of dividends from the company's profits for the next three years, Mr. Biser Ivanov, Director of Investor Relations, responded in detail. Mr. Ivanov explained that the strategy for one part of the profit for the period is to be distributed as dividends and possibly the difference to be capitalized for the purpose of investment that the company will make in the European markets. He explained that the company increased its profits between 8-10% for the first half of this year as compared to the same half year of last year. The questions by the shareholders Tony Yonkov Vekov and Tihomir Dimitrov Kamenov whether the company has a plan for entering into the European countries were answered by Mr. Biser Georgiev, Executive Director, who explained that expansion of the company into the European markets is part of a long-term marketing policy of the company and concrete actions are being planned to be taken in this connection. The Executive Director represented data on specific actions taken for the registration of medicinal products in the EU countries. With this the agenda of the Annual General Meeting of Shareholders of Tchaikapharma High Quality Medicines Inc. was exhausted, therefore the Chairperson closed the meeting.

The present minutes were prepared and signed in three identical copies. An integral part of these minutes are: 1/ the list of the present shareholders with the number of shares owned and represented by them; 2/ the materials for the convening of the General Meeting, conducted on the 23rd of June 2016.

CHAIRPERSON OF THE AGM:.....

/Biser Georgiev/

CO-CHAIRPERSON OF THE AGM:.....

/Biser Ivanov/

SECRETARY OF THE AGM:

/Dimitar Stoyanov/

TELLERS:

Maria Stoyanova

Tanq Ignatova.....